



### **Update on Standard Convergence (18 October 2019)**

The MoF has been working on the revision of China Accounting Standards for Business Enterprises (CASBE) to maintain its convergence policy with IFRS.

In December 2018, the MoF issued for public comment an Exposure Draft (ED) on Insurance Contracts standard to align with the IASB's IFRS 17 *Insurance Contracts*. Our analysis of the ED indicated that the proposed new CASBE would be converged in principle with the corresponding HKFRS/IFRS 17.

As reported in the last update dated 27 September 2018, the MoF was in the process of finalizing its ED, of which public comment had been sought, as a revised standard on CASBE 21 *Leases*. In December 2018, the MoF finalized and published CASBE 21 (Revised) which is converged in principle with the corresponding HKFRS/IFRS 16 *Leases*.

In addition, the MoF issued CASBE 7 (Revised) *Exchange of Non-Monetary Assets* and CASBE 12 (Revised) *Debt Restructurings* in order to maintain convergence with HKFRS/IFRS 15 *Revenue from Contracts with Customers* and HKFRS/IFRS 9 *Financial Instruments*, respectively, in May 2019.

The Institute will continue to work with the MoF on the ongoing convergence between CASBE and HKFRS.